



# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

32 May 29, 2012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Los Angeles County  
Board of Supervisors

May 29, 2012

Gloria Molina  
First District

Mark Ridley-Thomas  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO THREE DIAGNOSTIC AND  
THERAPEUTIC AGREEMENTS  
(5th SUPERVISORIAL DISTRICT)  
(3 VOTES)**

**SUBJECT**

Request approval of amendments to extend the terms of three diagnostic and therapeutic service Agreements with various contractors for the High Desert Multi-Service Ambulatory Care Center and Olive View-UCLA Medical Center.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 10 to Agreement No. H-210777 with Lancaster Cardiology Medical Group (Lancaster), Amendment No. 11 to Agreement No. H-210778 with Valley Tumor Radiation Medical Group (Valley Tumor), and Amendment No. 11 to Agreement No. H-210779 with RadNet Management, Inc. (RadNet), all effective upon Board approval, to extend the term of each Agreement for the period of July 1, 2012 through December 31, 2012, at the same rates of payment, for the continued provision of diagnostic, therapeutic and nuclear medicine services for patients served by High Desert Multi-Service Ambulatory Care Center (HD MACC) and Olive View-UCLA Medical Center (OV-UCLA MC). The contract sum for each Agreement will be increased during the extended term by \$105,000 for Lancaster, \$141,500 for Valley Tumor, and \$180,000 for RadNet.

Mitchell H. Katz, M.D.  
Director  
Hal F. Yee, Jr., M.D., Ph.D.  
Chief Medical Officer  
Christina Ghaly, M.D.  
Deputy Director, Strategic Planning

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213)240-8101  
Fax: (213) 481-0503

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community and university partners.



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## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the requested recommendation will allow the Director, or his designee, to execute three Amendments, substantially similar to Exhibits I, II, and III, to extend the term of each Agreement for six months to provide uninterrupted diagnostic and therapeutic services for patients served by HD MACC and OV-UCLA MC. The current Agreements are slated to expire on June 30, 2012 and additional time is needed to complete the competitive solicitations for successor agreements.

On March 15, 2010, DHS released a Request for Information to identify qualified and interested agencies, in addition to the current Contractors, who might provide these services. The responses were due on April 12, 2010. As a result of the number of responses received, the release of separate Requests for Proposal for nuclear medicine, cardiology imaging and radiation therapy oncology services was considered initially. However, due to the increase in patient volume, the Department determined that a Request for Statement of Qualifications (RFSQ) solicitation for a Master Agreement is the best approach to establish a pool of qualified contractors to provide these critical contract services. Delays have been experienced with the finalization of the RFSQ due to the need to ensure that the procedure codes and the reimbursement rates are accurate for the services provided.

The Department intends to release a RFSQ within three weeks and the extension of the current Agreements is necessary to allow the time to complete the solicitation, evaluation and selection process to identify and recommend qualified contractors for successor contracts to your Board for new multi-year Master Agreements for nuclear medicine, cardiology testing/imaging, and radiation therapy oncology.

The range of services provided by these Contractors includes critical contract diagnostic and therapeutic services, including cardiology imaging and testing, nuclear medicine, radiology services and radiation therapy oncology for County-registered patients at Antelope Valley Hospital. All three Contractors agreed to maintain the same rates of payment during the recommended extension period.

## **Implementation of Strategic Plan Goals**

The recommended actions support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

## **FISCAL IMPACT/FINANCING**

The maximum contract sum for each Agreement for diagnostic and therapeutic services for the period July 1, 2012 through December 31, 2012 is \$105,000 for Lancaster, an increase to \$1,207,500; \$141,500 for Valley Tumor, that includes the projected costs of \$125,000 for HD MACC and \$16,500 for OV-UCLA MC, an increase to \$1,158,750 and \$180,000 for RadNet, an increase to \$1,867,500. The contract term extensions bring the final total maximum contract sum for all three Agreements to \$4,233,750 for the entire term of the Agreements. Attachment A provides a detailed breakdown of the costs.

Funding is included in the FY 2012-13 Recommended Budget.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The current Contractors have been providing the diagnostic and therapeutic services on a specialized basis as follows:

- Valley Tumor provides radiation therapy for oncology patients and invoices by individual patient with each invoice generally includes multiple dates of service for the same patient. The procedures include intensity modulated radiotherapy plans (IMRT), treatment delivery sessions, and 3-D treatment plans.
- Lancaster Cardiology provides cardiac testing and other radiology tests.
- RadNet provides MRI services, nuclear medicine, and also provides as-needed back-up for overflow for other radiology modalities like mammography, computed tomography (CT), fluoroscopy and ultrasound.

It has been determined that the Agreements are exempt from Proposition A contracting guidelines due to a lack of County staff to adequately perform the diagnostic and therapeutic services and the difficulty in recruiting and retaining qualified personnel to perform diagnostic and therapeutic services in the Antelope Valley for the period of time the services are needed.

The termination provisions of each Agreement allow for termination with or without cause with a 30-day advance written notice by either party.

All of the Board mandated provisions are included in the Agreements.

County Counsel has approved Exhibits I, II, and III as to form.

### **CONTRACTING PROCESS**

Not applicable.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval of the recommended actions will ensure the continued provision of critically needed diagnostic and therapeutic patient services at HD MACC and OV-UCLA MC.

The Honorable Board of Supervisors

5/29/2012

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:ms

Enclosures

c: Chief Executive Office  
Acting County Counsel  
Executive Office, Board of Supervisors

**DIAGNOSTIC AND THERAPEUTIC AGREEMENTS**

## SUMMARY OF FISCAL IMPACT/FINANCING

| <u>Contractor</u> | <u>Current Maximum<br/>04/01/07 to 06/30/12</u> | <u>Increase for Amendments<br/>07/01/12 to 12/31/12</u> | <u>Total Contract Maximum<br/>04/01/07 to 12/31/12</u> |
|-------------------|---|---|--|
| Lancaster         | \$1,102,500                                     | \$105,000   | \$1,207,500  |
| Valley Tumor      | \$1,017,250                                     | \$141,500   | \$1,158,750  |
| RadNet            | \$1,687,500                                     | \$180,000   | \$1,867,500  |
| <hr/>             |   |   |  |
| <b>Total</b>      | <b>\$3,807,250</b>                              | <b>\$426,500</b>  | <b>\$4,233,750</b>                                     |

**DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT**

Amendment No. 11

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2012,

by and between                      COUNTY OF LOS ANGELES (hereafter  
   "County")

and                                      VALLEY TUMOR RADIATION MEDICAL GROUP  
   (hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT", dated March 30, 1999, and further identified as County Agreement No. H-210778, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to extend the term of the Agreement; and

WHEREAS, the Agreement provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective on July 1, 2012.
2. Paragraph 1, TERM AND TERMINATION, of Agreement shall be amended to read as follows:

"1. TERM AND TERMINATION: The term of this Agreement shall commence on the date of Board approval and shall continue in full force and effect to and including the period, July 1, 2012 through December 31, unless terminated sooner pursuant to the terms of this Agreement.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County or the Contractor, with or without cause, upon the giving of at least thirty (30) calendar days advance written notice thereof to the other.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out any directions within a reasonable time, by or on behalf of County issued pursuant to this Agreement.

County may also terminate this Agreement immediately if County has reasonable justification to believe that its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination", or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time."

3. BILLING AND PAYMENT, Paragraph 4, Subsection A., Contract Sum, and Subsection B., Maximum Obligation of County, of the body of the Agreement shall be amended to read as follows:

"A. Contract Sum: The Contract Sum under this Agreement shall be the total monetary amount payable by the County to Contractor for supplying all the tasks, sub-tasks, deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work. The Contract Sum for the period April 1, 2007 through June 30, 2012, including all applicable taxes, authorized by County hereunder shall not exceed One Million, Seventeen Thousand, Two Hundred Fifty Dollars (\$1,017,250).

The Contract Sum for the period, July 1, 2012 through December 31, 2012, including all applicable taxes, authorized by County hereunder shall not exceed One Hundred Forty-One Thousand, Five Hundred Dollars (\$141,500).

B. Maximum Obligation of County: During the term of this Agreement, effective April 1, 2007 through the period, July 1, 2012 through December 31,

2012, the maximum obligation of County for Contractor's performance hereunder shall not exceed One Million, One Hundred Fifty Eight Thousand, Seven Hundred Fifty Dollars (\$1,158,750)."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its,

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Director of Health Services, and Contractor have caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Mitchell H. Katz, M.D.  
Director of Health Services

VALLEY TUMOR RADIATION  
MEDICAL GROUP \_\_\_\_\_  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:  
BY THE OFFICE OF THE COUNTY COUNSEL

\_\_\_\_\_

**DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT**

Amendment No. 10

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2012,

by and between COUNTY OF LOS ANGELES (hereafter  
"County")

and LANCASTER CARDIOLOGY MEDICAL  
GROUP  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT", dated March 30, 1999, and further identified as County Agreement No. H-210777, and any Amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to extend the term of the Agreement; and

WHEREAS, the Agreement provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective on July 1, 2012.
2. Paragraph 1, TERM AND TERMINATION, of Agreement shall be amended to read as follows:

"1. TERM AND TERMINATION: The term of this Agreement shall commence on the date of Board approval and shall continue in full force and effect to and including the period, July 1, 2012 through December 31, 2012, unless terminated sooner pursuant to the terms of this Agreement.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County or the Contractor, with or without cause, upon the giving of at least thirty (30) calendar days advance written notice thereof to the other.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out any directions within a reasonable time, by or on behalf of County issued pursuant to this Agreement.

County may also terminate this Agreement immediately if County has reasonable justification to believe that its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination", or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time."

3. BILLING AND PAYMENT, Paragraph 4, Subsection A., Contract Sum, and Subsection B., Maximum Obligation of County, of the body of the Agreement shall be amended to read as follows:

"A. Contract Sum: The Contract Sum under this Agreement shall be the total monetary amount payable by the County to Contractor for supplying all the tasks, sub-tasks, deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work. The Contract Sum for the period April 1, 2007 through June 30, 2012, including all applicable taxes, authorized by County hereunder shall not exceed One Million, One Hundred Two Thousand, Five Hundred Dollars (\$1,102,500).

The Contract Sum for the period July 1, 2012 through December 31, 2012, including all applicable taxes, authorized by County hereunder shall not exceed One Hundred Five Thousand Dollars (\$105,000).

B. Maximum Obligation of County: During the term of this Agreement, effective April 1, 2007 through the period, July 1, 2012 through December 31,

2012, the total maximum obligation of County for Contractor's performance hereunder shall not exceed One Million, Two Hundred Seven Thousand, Five Hundred Dollars (\$1,207,500)."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its,

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Director of Health Services, and Contractor have caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Mitchell H. Katz, M.D.  
Director of Health Services

LANCASTER CARDIOLOGY  
MEDICAL GROUP  
\_\_\_\_\_  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:  
BY THE OFFICE OF THE COUNTY COUNSEL

\_\_\_\_\_

**DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT**

Amendment No. 11

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2012,

by and between COUNTY OF LOS ANGELES (hereafter  
"County")

and RADNET MANAGEMENT, INC.  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT", dated March 30, 1999, and further identified as County Agreement No. H-210779, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to extend the term of the Agreement; and

WHEREAS, the Contract provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

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County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out any directions within a reasonable time, by or on behalf of County issued pursuant to this Agreement.

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3. BILLING AND PAYMENT, Paragraph 4, Subsection A., Contract Sum, and Subsection B., Maximum Obligation of County, of the body of the Agreement shall be amended to read as follows:

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The Contract Sum for the period July 1, 2012 through December 31, 2012, including all applicable taxes, authorized by County hereunder shall not exceed One Hundred Eighty Thousand Dollars (\$180,000).

B. Maximum Obligation of County: During the term of this Agreement, effective April 1, 2007 through the period, July 1, 2012 through December 31,

2012, the total maximum obligation of County for Contractor's performance hereunder shall not exceed One Million, Eight Hundred Sixty Seven Thousand, Five Hundred Dollars (\$1,867,500)."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its,

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Director of Health Services, and Contractor have caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Mitchell H. Katz, M.D.  
Director of Health Services

RADNET MANAGEMENT, INC.  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:  
BY THE OFFICE OF THE COUNTY COUNSEL

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